

Earn Continuing Professional Education Credit

strategic FINANCE

QUIZ 3 CPE Credits

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How to Participate

1. Complete the quiz order form below.
2. Circle your answer for each quiz question on the next page. All questions asked in this quiz comply with NASBA.
3. Sign the statement that attests that you have read the articles in *Strategic Finance* and have personally answered them.
4. Cut out this entire page (order form and quiz) or copy both pages and mail or fax to IMA with complete payment information.
5. You must be an active IMA member to participate in the *Strategic Finance* quiz program.
6. If you successfully answer 70% or more of the questions, you will earn 3 CPE credits (partial CPE credit will not be given). You will receive a letter from IMA indicating the CPE credits earned. Retain this letter for your records.

Strategic Finance Quiz Order Form

IMA Member No. _____

First Name _____ Last Name _____

Address _____

City, State, Zip _____

Telephone _____ E-Mail _____

Current *Strategic Finance* Quiz Participant: Yes No

New *Strategic Finance* Quiz Participant (Check the following):

NOTE: Must be an active IMA member to participate.

If you are a NEW participant, fax to (201) 474-1632; if you are an EXISTING participant, fax to (201) 474-1605.

Monthly - \$19.00 Quarterly Subscription - \$49.00 each Jan. - March April. - June

Annual Subscription - \$179.00 July. - Sept. Oct. - Dec.

Payment Method: Payments must be in U.S. dollars **Total: \$** _____

Check - Make payable to: Institute of Management Accountants, Inc.

Charge my credit card: AMEX Discover Mastercard Visa

Credit Card Number: _____ Expiration Date (MM/YY): _____

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Strategic Finance Quiz — May 2003

Please circle your answer for each question

Check Your D&O Insurance (p. 36)

Field of Study: MANAGEMENT

1. What percentage of all outside directors of *Fortune* 1,000 companies have been sued in connection with their board service?
 - a. 10%
 - b. 25%
 - c. 40%
 - d. 65%
2. In reviewing Directors' and Officers' insurance coverage,
 - a. Make sure its scope is not limited.
 - b. Remember that insurance companies will back claims against any director for any reason.
 - c. Insurance companies have the responsibility to point out the types of issues that arise when D&O claims are filed.
 - d. There are numerous pitfalls and gaps you should look for.
3. *Harristown Development Corp v. International Insurance Co.* illustrated:
 - a. The practices of some insurance companies to defeat coverage for claims.
 - b. The assistance insurance companies always provide their insureds.
 - c. A statistical package that analyzed questions for appropriateness.
 - d. That claims cannot be denied if premium payments have never been late.
4. Endorsements to the D&O policy should include:
 - a. A list of the specific persons covered by the policy.
 - b. A list of those persons not covered by the policy.
 - c. Confirmation that all insureds concur with all statements made in the application.
 - d. Provision that no statement in the application or knowledge of any insured will be imputed to any other insured.
5. Postclaim underwriting is the practice of:
 - a. Delaying completion of the application until after a claim is filed.
 - b. Finding misstatements or incomplete answers to questions in the application after a claim is filed.
 - c. A corporation attempting to add coverage after the effective date of the policy.
 - d. Only applicable to post office workers.
6. A fraud exclusion provides that
 - a. The insured is not liable if the underwriter commits a fraudulent act.
 - b. The insured cannot make a claim if a lawsuit is settled without admitting liability.
 - c. The exclusion applies only where there is a judgment or adjudication that a fraudulent act occurred.
 - d. A severability provision cannot be included in the exclusion.
7. Other endorsements that should be considered in the D&O policy are:
 - a. Shared limits.
 - b. Investigations.
 - c. Punitive damages.
 - d. All of the above.

Intranet Budgeting Does the Trick (p. 30)

Field of Study: MANAGEMENT

8. Which of the following statements about the budget activities at the Facilities & Operations (F&O) Business Office at PNNL is FALSE?
 - a. F&O has more than 130 budget activities.
 - b. Each of F&O's budget activities requires an annual work plan and budget.
 - c. The new system saved almost 300 hours in completing the budget activities.
 - d. Previous budgeting systems used Excel templates.
9. The new system claims that the main benefits include:
 - a. Higher-quality budget reports.
 - b. More timely budgets.
 - c. Lower costs for budget preparation.
 - d. All of the above.
10. Which of the following statements about the Web-based budgeting and planning system used at PNNL is NOT true?
 - a. JavaScript client-side scripting is used.
 - b. Microsoft's Active Server Pages technology is used.
 - c. The system uses a customized MS SQL 2000 database.
 - d. Higher-level applications required the implementation of cutting-edge technologies.
11. A major advantage of a Web-based budget and planning system is to provide a one-stop shopping approach with real-time data and up to-the-minute reports.
True or False.
12. The budgeting system was designed to meet all the identified needs of the PNNL financial staff users and project manager users. True or False.
13. Identifying the basic needs of each user was the most difficult aspect of the system design. True or False.
14. System development was a collaborative effort involving support from four directorates: Finance, Information Technology, Project Management, and Human Resources.
True or False.
15. Which of the following is the primary benefit of a Web-based budget and planning system?
 - a. Ability to "drill down" to more detailed financial information.
 - b. Direct input of business plans and budget requests by support staff.
 - c. Elimination of need to upload file attachments into a central database.
 - d. All of the above.

I have read the articles in *Strategic Finance* upon which the questions are based and have personally prepared the answers without the assistance of any other person.

Signature _____ Date _____

Print name _____ Member Number _____